

CMS Manual System

Pub 100-04 Medicare Claims Processing

Transmittal 665

Department of Health &
Human Services

Centers for Medicare &
Medicaid Services

Date: September 2, 2005

Change Request 4026

SUBJECT: October Quarterly Update for 2005 Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Fee Schedule

I. SUMMARY OF CHANGES: The DMEPOS fee schedules are updated on a quarterly basis in order to implement fee schedule amounts for new codes and to revise any fee schedule amounts for existing codes that were calculated in error. The quarterly update process for the DMEPOS fee schedule is located in section 60, chapter 23, of the Medicare Claims Processing Manual (Pub. 100-04). This recurring update notification provides specific instructions regarding the October quarterly update for the 2005 DMEPOS fee schedule.

NEW/REVISED MATERIAL :

EFFECTIVE DATE: January 1, 2005 for implementation of revised fee schedule amounts for codes in effect on January 1, 2005; October 1, 2005 for all other changes.

IMPLEMENTATION DATE : October 3, 2005

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)

R = REVISED, N = NEW, D = DELETED – *Only One Per Row.*

| R/N/D | Chapter / Section / Subsection / Title |
|-------|--|
|-------|--|

III. FUNDING:

No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2005 operating budgets.

IV. ATTACHMENTS:

Recurring Update Notification

**Unless otherwise specified, the effective date is the date of service.*

Attachment – Recurring Update Notification

| | | | |
|--------------|------------------|-------------------------|---------------------|
| Pub. 100- 04 | Transmittal: 665 | Date: September 2, 2005 | Change Request 4026 |
|--------------|------------------|-------------------------|---------------------|

SUBJECT: October Quarterly Update for 2005 Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Fee Schedule

I. GENERAL INFORMATION

A. Background: The DMEPOS fee schedules are updated on a quarterly basis in order to implement fee schedule amounts for new codes and to revise any fee schedule amounts for existing codes that were calculated in error. The quarterly updates process for the DMEPOS fee schedule is located in section 60, chapter 23, of the Medicare Claims Processing Manual (Pub. 100-04)

B. Policy: This recurring update notification provides specific instructions regarding the October quarterly update for the 2005 DMEPOS fee schedule. Payment on a fee schedule basis is required for durable medical equipment (DME), prosthetic devices, orthotics, prosthetics, and surgical dressings by sections 1834(a), (h), and (i) of the Social Security Act. Payment on a fee schedule basis is required for parenteral and enteral nutrition (PEN) by regulations contained in 42 CFR 414.102.

The following codes are being added to the HCPCS on October 1, 2005, and are effective for claims with dates of service on or after October 1, 2005:

| | |
|-------|---|
| Q0480 | Driver for use with pneumatic ventricular assist device, replacement only |
| Q0481 | Microprocessor control unit for use with electric ventricular assist device, replacement only |
| Q0482 | Microprocessor control unit for use with electric/pneumatic combination ventricular assist device, replacement only |
| Q0483 | Monitor/display module for use with electric ventricular assist device, replacement only |
| Q0484 | Monitor/display module for use with electric or electric/pneumatic ventricular assist device, replacement only |
| Q0485 | Monitor control cable for use with electric ventricular assist device, replacement only |
| Q0486 | Monitor control cable for use with electric/pneumatic ventricular assist device, replacement only |
| Q0487 | Leads (pneumatic/electrical) for use with any type electric/pneumatic ventricular assist device, replacement only |
| Q0488 | Power pack base for use with electric ventricular assist device, replacement only |
| Q0489 | Power pack base for use with electric/pneumatic ventricular assist device, replacement only |
| Q0490 | Emergency power source for use with electric ventricular assist device, replacement only |
| Q0491 | Emergency power source for use with electric/pneumatic ventricular assist device, replacement only |
| Q0492 | Emergency power supply cable for use with electric ventricular assist device, replacement only |
| Q0493 | Emergency power supply cable for use with electric/pneumatic ventricular |

| | |
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| | assist device, replacement only |
| Q0494 | Emergency hand pump for use with electric or electric/pneumatic ventricular assist device, replacement only |
| Q0495 | Battery/power pack charger for use with electric or electric/pneumatic ventricular assist device, replacement only |
| Q0496 | Battery for use with electric or electric/pneumatic ventricular assist device, replacement only |
| Q0497 | Battery clips for use with electric or electric/pneumatic ventricular assist device, replacement only |
| Q0498 | Holster for use with electric or electric/pneumatic ventricular assist device, replacement only |
| Q0499 | Belt/vest for use with electric or electric/pneumatic ventricular assist device, replacement only |
| Q0500* | Filters for use with electric or electric/pneumatic ventricular assist device, replacement only |
| Q0501 | Shower cover for use with electric or electric/pneumatic ventricular assist device, replacement only |
| Q0502 | Mobility cart for pneumatic ventricular assist device, replacement only |
| Q0503 | Battery for pneumatic ventricular assist device, replacement only, each |
| Q0504 | Power Adapter for pneumatic ventricular assist device, replacement only, vehicle type |
| Q0505 | Miscellaneous supply or accessory for use with ventricular assist device |

* Replacement filters described by code Q0500 are furnished in boxes of varying quantities by different manufacturers. Therefore, the base unit for code Q0500 for billing purposes is per each filter. Instructions regarding implementation of these codes were furnished via CR3931. With the exception of codes Q0488 and Q0505, CMS has calculated fee schedule amounts for these codes, and these fee schedule amounts are being added to the fee schedule file as part of this update. The allowed payment amounts for items billed using code Q0505, and until fee schedule amounts can be calculated, code Q0488 are to be determined based on the contractors' individual consideration of each claim.

HCPSC codes L3000 through L3649 were added to the fee schedule file effective July 1, 2005, for use in paying claims for shoes that are an integral part of an orthosis.

The fee schedule amounts for code E0971 (anti-tipping device wheelchairs) are being revised to reflect a base billing unit of "each." Historically, the code descriptor for E0971 has not indicated a base billing unit (i.e., each vs. pair) and as a result, the fee schedule amounts have been based on a mixture of payments for both pairs and single anti-tipping devices. Therefore, the fee schedule amounts for code E0971 are being revised as part of this quarterly update in order to standardize the fee amounts to represent fees per each unit.

The fee schedule amounts for codes E1038 and E1039 (transport chairs) are being revised to correct errors in the fee calculations and to reflect changes in billing for items under these codes. The fees for code E1038 were erroneously calculated using prices for products that included elevating legrests. Suppliers should be billing for elevating legrests separately using code K0195. The fee schedule amounts for code E1038 are being revised to remove pricing for the elevating legrests. In addition, we are changing the standard for heavy duty transport chairs to include only those products with a patient weight capacity of

greater than 300 pounds. Therefore, for claims with dates of service on or after October 1, 2005, suppliers should be submitting claims for transport chairs with patient weight capacity of greater than 300 pounds using HCPCS code E1039. For claims with dates of service on or after October 1, 2005, suppliers should be submitting claims for transport chairs with patient weight capacity of 300 pounds or less using HCPCS code E1038. The fee schedule amounts for codes E1038 and E1039 are being revised to reflect the changes in product classification under these two codes.

The base fee schedule amounts for code E1238 (Wheelchair, Pediatric Size, Folding, Adjustable, Without Seating System) are being revised as part of this quarterly update to correct fee schedule calculation errors and to limit the base fees of E1238 from exceeding the fees of E1236. CMS has revised the fee schedule amounts for code E1238 and these fee schedule amounts are being added to the fee schedule file as part of this update.

Code L5685 was added to the HCPCS effective January 1, 2005. The fee schedule amounts are being established as part of this quarterly update.

There are no changes to the PEN fee schedule file for October 2005.

II. BUSINESS REQUIREMENTS

"Shall" denotes a mandatory requirement

"Should" denotes an optional requirement

| Requirement Number | Requirements | Responsibility (“X” indicates the columns that apply) | | | | | | | | |
|--------------------|--|---|------------------|---------------------------------|-----------------------|---------------------------|-------------|-------------|-------------|-------|
| | | F I | R H H I | C a r r i e r | D M E R C | Shared System Maintainers | | | | Other |
| | | | | | | F I S S | M C S | V M S | C W F | |
| 4026.1 | DMERCs shall compute revised base fee schedule amounts for each State in their region for codes E0971, E1038, E1039, and L5685. DMERCs shall submit ASCII files containing the revised base fees to CMS central office by July 28, 2005. DMERCs shall follow the instructions for submitting base fee schedule amounts located in section 60, chapter 23, of the Medicare Claims Processing Manual (Pub. 100-4). | | | | X | | | | | |
| 4026.2 | DMERCs and RHHIs shall adjust previously processed claims for codes E0971, E1038, E1039, and E1238 with dates of service on or after January 1, 2005, if they are resubmitted as adjustments. | | X | | X | | | | | |

| Requirement Number | Requirements | Responsibility (“X” indicates the columns that apply) | | | | | | | | |
|--------------------|---|---|------|---------|-------|---------------------------|-----|-----|-----|-------|
| | | FI | RHHI | Carrier | DMERC | Shared System Maintainers | | | | Other |
| | | | | | | FIS | MCS | VMS | CWF | |
| 4026.3 | DMERCs and local carriers shall retrieve the DMEPOS fee schedule file (filename: MU00.@BF12393.DMEPOS.T050101.V0811) on or after August 11, 2005. Notification of successful receipt shall be sent via e-mail to price_file_receipt@cms.hhs.gov stating the name of the file received and the entity for which they were received (e.g., carrier name and number). | | | X | X | | | | | |
| 4026.4 | FIs and RHHIs shall retrieve the DMEPOS fee schedule file (filename: MU00.@BF12393.DMEPOS.T050101.V0818 . FI) on or after August 18, 2005. Notification of successful receipt shall be sent via e-mail to price_file_receipt@cms.hhs.gov stating the name of the file received and the entity for which they were received (e.g., FI name and number). | X | X | | | | | | | |
| 4026.5 | Contractors shall use the 2005 DMEPOS fee schedule amounts from the DMEPOS fee schedule file to pay claims with dates of service on or after January 1, 2005. | X | X | X | X | | | | | |

III. PROVIDER EDUCATION

| Requirement Number | Requirements | Responsibility (“X” indicates the columns that apply) | | | | | | | | |
|--------------------|---|---|---------|---------------|-----------|---------------------------|-------|-------|-------|-------|
| | | F I | R H H I | C a r r i e r | D M E R C | Shared System Maintainers | | | | Other |
| | | | | | | F I S S | M C S | V M S | C W F | |
| 4026.6 | A provider education article related to this instruction will be available at www.cms.hhs.gov/medlearn/matters shortly after the CR is released. You will receive notification of the article release via the | X | X | X | X | | | | | |

| Requirement Number | Requirements | Responsibility (“X” indicates the columns that apply) | | | | | | | | |
|--------------------|--|---|------------------|---------------------------------|-----------------------|---------------------------|-------------|-------------|-------------|-------|
| | | F I | R H H I | C a r r i e r | D M E R C | Shared System Maintainers | | | | Other |
| | | | | | | F I S S | M C S | V M S | C W F | |
| | established "medlearn matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web site and include information about it in a listserv message within 1 week of the availability of the provider education article. In addition, the provider education article shall be included in your next regularly scheduled bulletin and incorporated into any educational events on this topic. Contractors are free to supplement Medlearn Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly. | | | | | | | | | |

IV. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions: N/A

| X-Ref Requirement # | Instructions |
|---------------------|--------------|
| | |

B. Design Considerations: N/A

| X-Ref Requirement # | Recommendation for Medicare System Requirements |
|---------------------|---|
| | |

C. Interfaces: N/A

D. Contractor Financial Reporting /Workload Impact: N/A

E. Dependencies: N/A

F. Testing Considerations: N/A

V. SCHEDULE, CONTACTS, AND FUNDING

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| <p>Effective Date*: January 1, 2005, for implementation of revised fee schedule amounts for codes in effect on January 1, 2005; October 1, 2005, for all other changes.</p> <p>Implementation Date: October 3, 2005</p> <p>Pre- and Post-Implementation Contact(s): Karen Jacobs, (410) 786-2173 or Joel Kaiser, (410) 786-4499</p> | <p>No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2005 operating budgets.</p> |
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